

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

Historical Financial Statements

Consolidated Balance Sheet as of June 30, 2010

Consolidated Statement of Income for the Six Months Ended June 30, 2010

Pro Forma Financial Statements

Unaudited Condensed Consolidated Pro Forma Balance Sheet as of June 30, 2010

Unaudited Condensed Consolidated Pro Forma Statement of Income for the Six Months
Ended June 30, 2010

Unaudited Pro Forma Capital Structure as of June 30, 2010

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

CONSOLIDATED BALANCE SHEET

As of June 30, 2010

Incorporated by reference is the Consolidated Interim Balance Sheet dated as of June 30, 2010 and the related Notes to Consolidated Interim Financial Statements per the attached Consolidated Interim Statements dated June 30, 2010.

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

CONSOLIDATED STATEMENT OF INCOME

For the Six Months Ended June 30, 2010

Incorporated by reference is the Consolidated Interim Statement of Income for the six months ended June 30, 2010 and related Notes to Consolidated Interim Financial Statements per the attached Consolidated Interim Statements dated June 30, 2010.

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA
FINANCIAL STATEMENTS

The following unaudited pro forma financial statements of the Company are based on the historical financial statements of the Company appearing elsewhere in this application. These pro forma financial statements have been prepared to reflect the proposed approval requested in these applications to authorize the Company to enter up to a \$750,000,000 3-year revolving credit agreement (the "Facility"). This Facility will be used by the Company in order to meet the Company's short-term capital needs arising in connection with the provision of providing electricity and related services to the Company's customers. The Company will not receive any proceeds from executing the Facility transaction. The Unaudited Condensed Consolidated Pro Forma Balance Sheet has been prepared assuming that the Facility had been executed on January 1, 2010. The Unaudited Condensed Consolidated Pro Forma Statement of Income for the six months ended June 30, 2010 has been prepared as if the Facility had been executed at the beginning of the period. The following unaudited pro forma financial data is presented for informational purposes only and is not necessarily indicative of the results of future operations.

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA
BALANCE SHEET

As of June 30, 2010

(In thousands)

	Historical	Pro Forma Adjustments	Pro Forma
ASSETS			
Electric Utility Plant, net	\$ 10,423,749		\$ 10,423,749
Cash and cash equivalents	206,133	(2,617) (A)	203,516
Other Current Assets	1,303,853		1,303,853
Other Assets	2,032,331	3,306 (A)	2,035,637
Total Assets	<u>\$ 13,966,066</u>	<u>\$ 689</u>	<u>\$ 13,966,755</u>
LIABILITIES AND EQUITY			
Common stock equity	4,868,540	(633) (A)	4,867,907
Preferred Stock	59,334		59,334
Long Term Debt, net	3,687,711		3,687,711
Short-term obligations	-		-
Other current liabilities	915,262		915,262
Noncurrent income tax liabilities	1,327,408	1,322 (A)	1,328,730
Other liabilities and deferred credits	3,107,811		3,107,811
Total Liabilities and Equity	<u>\$ 13,966,066</u>	<u>689</u>	<u>\$ 13,966,755</u>

See Notes to Unaudited Condensed Consolidated Pro Forma Financial Statements

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA
STATEMENT OF INCOME

For the Six Months Ended June 30, 2010

(In thousands)

	<u>Historical</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Operating Revenues	\$ 2,380,347	\$ -	\$ 2,380,347
Operating Expenses			
Fuel	858,148		858,148
Purchased Power	126,590		126,590
Operation and Maintenance	585,244		585,244
Depreciation and Amortization	237,323		237,323
Taxes Other than on Income	110,586		110,586
Other	933		933
Total Operating Expenses	1,918,824		1,918,824
Operating Income	461,523		461,523
Other Income	27,599		27,599
Income Before Interest Charges	489,122		489,122
Interest Charges			
Interest charges	102,474	1,274 (B) (218) (C)	103,529
AFUDC - Debt	(8,641)		(8,641)
Net Interest Charges	93,833	1,055	94,888
Income Before Income Taxes	395,289	(1,055)	394,234
Income Taxes	146,004	(422) (D)	145,582
Net Income Before Cumulative Effect of Change in Accounting Principle	249,285	(633)	248,652
Cumulative Effect of Change in Accounting Principle	(2,041)	0	(2,041)
Net Income	247,244	(633)	246,611
Loss Attributable to Noncontrolling Interest	2,904	0	2,904
Net Income Attributable to Controlling Interests	250,148	(633)	249,515
Preferred Stock Dividend Required	(1,482)	0	(1,482)
Net Income Available to Parent	\$ 248,666	\$ (633)	\$ 248,033

See Notes to Unaudited Condensed Consolidated Pro Forma Financial Statements

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED
PRO FORMA FINANCIAL STATEMENTS

- (A) No proceeds will be received in the transaction; therefore the Company does not anticipate any change in debt. The Company expects to use cash on hand to pay for the expenses incurred in connection with the facility which are tax deductible. Up-front fees paid in connection with the negotiation and execution of the facility will be amortized over the life of the facility (3 years).
- (B) To record the facility fees and commitment fees associated with the new Facility.
- (C) To reverse the facility fees and commitment fees incurred on the existing revolving credit facility that will be replaced with the new Facility.
- (D) To adjust income taxes as a result of the net effect of the pro forma adjustments.

CAROLINA POWER & LIGHT COMPANY
d/b/a PROGRESS ENERGY CAROLINAS, INC.

UNAUDITED PRO FORMA CAPITAL STRUCTURE

As of June 30 , 2010

(In thousands)

	<u>Historical</u>		<u>Pro Forma</u>	
Common Stock	\$	4,868,540 57%	\$	4,867,907 57%
Preferred Stock		59,334 1%		59,334 1%
Long-term Debt, Net		<u>3,687,711 43%</u>		<u>3,687,711 43%</u>
Total Capitalization	\$	8,615,585 100%	\$	8,614,952 100%